

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CIAE-00 COME-00 DODE-00 FMC-04

INR-10 NSAE-00 RSC-01 CG-00 COA-02 DLOS-06 DOTE-00

L-03 H-03 SCEM-02 SCI-06 INT-08 DRC-01 TRSE-00 /074 W

----- 042321

P R 191114Z DEC 73

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC PRIORITY 9857

INFO AMEMBASSY BRASILIA

AMEMBASSY CARACAS

LIMITED OFFICIAL USE SECTION 1 OF 2 RIO DE JANEIRO 4654/1

E.O. 11652: N/A

TAGS: ETRN, ENRG, BR, US

SUBJECT: AVAILABILITY OF BUNKER FUELS

REF: (A) RIO 4574 (B) STATE 244210

SUMMARY:

CONGEN OFFICER MET WITH MARIO AZEVEDO, CHIEF OF PETROBRAS BUNKERING DIVISION, ON DEC. 17. AZEVEDO CONFIRMED THAT NO BRAZILIAN SHIPS HAVE BEEN IDLE FOR EXTENSIVE PERIOD IN U.S. PORTS. HE EMPHASIZED, HOWEVER, INCREASING DIFFICULTIES OF BRAZILIAN SHIPPERS ATTEMPTING TO OBTAIN FUEL IN U.S., CONTINUED UNCERTAINTY OF SITUATION, AND NEED FOR SOME TYPE OF RECIPROCITY.

1. ON DEC. 17 CONGEN OFFICER VISITED MARIO AZEVEDO, CHIEF OF PETROBRAS BUNKERING DIVISION PREVIOUSLY CITED AS SOURCE FOR REPORT THAT BRAZILIAN SHIPS IDLED IN U.S. PORTS. CONVERSATION INDICATED CLEARLY THAT AZEVEDO IS NOT REPEAT NOT CONCERNED ABOUT SHIPS CURRENTLY LYING IDLE, FOR NO SUCH CASES REALLY EXIST. APPARENTLY WHAT HE TRIED TO CONVEY TO AMERICAN SHIPPING REPRESENTATIVES WAS HIS GROWING PREOCCUPATION OVER DIFFICULTIES OF BRAZILIAN SHIPPERS

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SEEKING FUEL IN U.S. PRESUMABLY HE MENTIONED SPECIFIC

CASES TO U.S. REPRESENTATIVES AND LATTER INTERPRETED THESE EXAMPLES TO BE SHIPS STRANDED IN U.S. PORTS.

2. ACTUALLY, AZEVEDO IS MORE CONCERNED ABOUT GENERAL SUPPLY SITUATION. HE CLAIMED, FOR EXAMPLE, THAT ESSO CABLED LLOYD BRASILEIRO DEC. 4 THAT LATTER'S FUEL ATTOTMENT FOR DEC. HAD BEEN EXHAUSTED. LLOYD OFFICIALS SENT PERSONAL CABLE TO ESSO ASKING FOR ADDITIONAL ALLOTMENT THAT WOULD PERMIT LLOYD TO CONTINUE OPERATING. ESSO AGREED PROVIDE HALF OF SPECIAL ALLOTMENT REQUESTED, BUT SAID NO FUEL AVAILABLE ON U.S. WEST COAST. THIS AND OTHER CASES, AS MENTIONED BELOW, CAUSING PORT DELAYS, SCHEDULE CHANGES, AND GENERAL UNCERTAINTY. PETROBRAS FEELS SITUATION MAY WORSEN.

3. BRAZILIAN SHIPPERS MEETING DAILY TO REVIEW SITUATION AND PETROBRAS MAINTAINING LIST OF SHIPS WHOSE FUEL SUPPLY IS QUESTIONABLE. LIST CHANGES FREQUENTLY AS SHIPS, HAVING SOLVED THEIR FUEL PROBLEMS, ARE REMOVED AND OTHERS ARE ADDED. AS OF DEC. 17, FOLLOWING SHIPS WERE LISTED EITHER BECAUSE COMPANIES CONTINUE TRYING TO OBTAIN FUEL FOR THEM OR BECAUSE COMPANIES STILL UNCERTAIN HOW SHIPS HAVE RESOLVED THEIR FUEL NEEDS.

4. IN CASE OF L. FIGUEIREDO NAVEGACAO, ONLY THE SHIP TOCANTINS IS INVOLVED. THIS SHIP, SCHEDULED TO ARRIVE NEW YORK DEC. 15, HAD REQUESTED 350 TONS OF MARINE FUEL AND 50 TONS OF DEISEL FUEL FROM TEXACO. IT RECEIVED ONLY 100 AND 31, RESPECTIVELY. IF IT CANNOT OBTAIN MORE, IT WILL BY-PASS HOUSTON AND PROCEED DIRECTLY TO PORT-OF-SPAIN, HOPING TO FIND FUEL THERE.

5. FROTA OCEANICA BRASILEIRA HAS REQUESTED THAT ESSO SUPPLY FUEL FOR 5 SHIPS, BUT HAS RECIEVED NO RESPONSE. ONE SHIP PRESUMABLY MADE OTHER ARRANGEMENTS. REMAINING FOUR UNRESOLVED CASES ARE:

SHIP	ETA/US	U.S. PORT	FUEL REQUESTED (TONS)
OMNIUM PRIDE	12/9	NEW PORT NEWS	650 MARINE/100 DEISEL
FROTASUL	12-14	PHIL.	650 MARINE/100 DEISEL
FROTANORTE	12/26	E.COAST/GOLF	650 MARINE/100 DEISEL

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FROTAVENTO 12/30 HOUSTON 500 MARINE/100 DEISEL

6. LLOYD BRASILEIRO HAS 7 SHIPS IN UNCERTAIN SITUATIONS DUE TO ESSO DENIAL OF, OR FAILURE TO RESPOND TO, FUEL REQUESTS. IN ONE CASE (ITAQUICE), SHIP'S SCHEDULE WAS ADJUSTED. IN TWO OTHER CASES (ERIKA SCHULTE, GUNTER SCHULTE), SHIPS WERE SENT TO PANAMA FOR REFUELING. SEVEN SHIPS INVOLVED ARE:

SHIP	ETA/US	U.S.PORT	FUEL REQUESTED (TONS)
PAUL SCHOEDER	12/7	NEW YORK	500 MARINE/85 DEISEL
ERIKA SCHULTE	12/7	SAN.FRAN.	200 MARINE/30 DEISEL
ITAQUICE	12/20	NEW ORL.	550 MARINE/800 DEISEL
ITASSUCE	12/23	NEW YROK	1000 MARINE/200 DEISEL
ITAPURA	12/24	NEW YROK	900 MARINE/250 DEISEL
ALKMAN	12/26	HOUSTON	1000 MARINE/70 DEISEL
GUNTER SCHULTE	12/26	SAN.FRAN.	200 MARINE/40 DEISEL.

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P R 191114Z DEC 73

FM AMCONSUL RIO DE JANEIRO

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7. DOCENAVE HAD REQUESTED CHEVRON TO REFUEL 5 OF ITS SHIPS, BUT CHEVRON REFUSED. DOCENAVE OFFICIAL FLEW TO U.S. AND PRESUMABLY ARRANGED TO PURCHASE FUEL FROM CONTINENTAL OIL AT MUCH HIGHER PRICE. SHIPS INVOLVED WERE:

SHIP	ETA/US	U.S.PORT	FUEL REQUESTED (TONS)
ONDROS CITY	12/2	HOUSTON	300 MARINE/0 DEISEL
CARLOTA F.	12/12	SAVANNH	140 MARINE/0 DEISEL
CARLOTA F.	12/14	TAMPA	580 MARINE/0 DEISEL
OTTO LEONARDT	12/14	NORFOLK	420 MARINE/0 DEISEL
OTTO LEONARDT	12/19	SAVANNAH	210 MARINE/0 DEISEL
DOCEANGRA	12/14	SAVANNAH	950 MARINE/0 DEISEL
ABIQUA	12/23	SAVANNAH/HOUSTON	500 MARINE/0 DEISEL

8. AZEVEDO EMPHASIZED DESIRE FOR RECIPROCITY POLICY THAT

WOULD GUARANTY FUEL SUPPLY FOR BRAZILIAN SHIPS IN U.S. PORTS. HE ADMITTED THAT U.S. LEGAL SYSTEM WOULD HAMPER INSTITUTION OF SUCH ARRANGEMENT, BUT APPARENTLY BELIEVES U.S. EXECUTIVE BRANCH CAN FIND MEANS OF PRESSURING PETROLEUM COMPANIES INTO SUPPLYING FUEL. AZEVEDO CERTAINLY BELIEVES PETROLEUM SITUATION PLACES BRAZIL IN STRONG BARGAINING POSITION, YET HE APPEARS RELUCTANT TO PRESS THIS ADVANTAGE TO POINT OF CAUSING INTER-GOVERNMENTAL LIMITED OFFICIAL USE

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FRICITION. HE NOTED, FOR EXAMPLE, INITIAL PETROBRAS ATTEMPTS TO ESTABLISH RECIPROCAL ARRANGEMENTS WITH U.S. SHIPPING COMPANIES. INDEED, HE SEEMS TO RETAIN SOME HOPE THAT SUCH A PROCEDURE MIGHT STILL BE DEVELOPED. HE REITERATED ONE POSSIBLE PROCEDURE PREVIOUSLY MENTIONED BY U.S. SHIPPING REPRESENTATIVES. NAMELY, U.S. SHIPPERS WOULD PURCHASE FUEL IN U.S., BUT USE ONLY PART OF SUCH PURCHASES. UNUSED PORTION WOULD BE PLACED AT DISPOSAL OF BRAZILIAN SHIPPERS ASSOCIATION REPRESENTATIVE IN NEW YORK, WHO WOULD THEN DISTRIBUTE THE FUEL AMONG BRAZILIAN VESSELS AT U.S. PORTS. AMERICAN VESSELS WOULD RECEIVE IN BRAZIL APPROXIMATELY SAME AMOUNT OF FUEL AS THEY HAVE SURRENDERED IN U.S. SUCH A SYSTEM, AZEVEDO MAINTAINED, WOULD PERMIT SHIPPERS TO ORGANIZE THEIR SCHEDULES LOGICALLY AND PERMIT SHIPS TO CARRY MAXIMUM CARGO. PETROBRAS WOULD THEN BE ABLE TO AVOID SENDING TANKERS TO U.S., AS IT HAS DONE IN CASE OF JAPAN, SOLELY TO REFUEL BRAZILIAN SHIPS.
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